

BainCapital

TeamSystem

Palamon
Capital Partners

PRESS RELEASE

Bain Capital Acquires TeamSystem SpA from
Palamon Capital Partners

22 December, 2004 – Pesaro, Italy – TeamSystem S.p.A., a leading company in the development and marketing of financial management software products for tax, payroll, accounting, budgeting and Enterprise Resource Planning, today announced that it has been acquired by the existing management team and Bain Capital, a leading global private investment firm.

TeamSystem was purchased from Palamon Capital Partners. Principal terms of the transaction were not disclosed.

Based in Pesaro, Italy, TeamSystem primarily serves small and medium-sized businesses and professionals (accountants and labour consultants). The group employs more than 450 people, and enjoys a customer base in excess of 43,000 who are served through 12 subsidiaries in Italy as well as a network of approximately 300 selected and skilled software partners throughout Italy.

“We are very pleased to acquire such a clear market leader in the financial and management software arena,” stated Ferdinando Grimaldi, a Managing Director at Bain Capital. “Strong demand for TeamSystem’s broad suite of existing products and services, together with promising new offerings, should continue to drive customer satisfaction and growth. We look forward to working with this talented management team to help the company realize its potential through organic growth and strategic acquisitions.”

TeamSystem will be operated by the existing management team under the leadership of the CEO, Gianandrea De Bernardis. Management will retain a significant equity stake in the group.

“We are excited by the opportunity to partner with an accomplished global technology investor such as Bain Capital,” stated De Bernardis. “This transaction is consistent with TeamSystem’s strategy of growth through a combination of organic increase in our customer base and external acquisitions. TeamSystem will benefit from access to Bain Capital’s extensive network and financial resources. This will allow us to find new ways to serve our customers while increasing our market share in a highly fragmented sector.”

Stefano Bacci, Partner at Palamon commented: “Since we acquired our stake in TeamSystem in June 2000, company’s revenues and pre-tax profit have grown by 2.5 times. This success stemmed from Palamon’s recruitment of an outstanding professional management team and the implementation of a strategy to expand TeamSystem’s direct and indirect sales channels, as well as the introduction of new products. This has been a model investment for Palamon from developing the investment thesis and constructing the transaction in partnership with the company’s founders. We are very proud of the accomplishments of TeamSystem’s executive team and are honoured to have been their partners for over four exciting years.”

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Financing for the transaction is being provided by The Royal Bank of Scotland and Intermediate Capital Group. Legal advice for Bain Capital was provided by Gianni Origoni Grippo and Kirkland & Ellis, and accounting and tax advice by PWC. The Royal Bank of Scotland and Intermediate Capital Group have been advised by Ashurst.

HSBC acted as financial adviser to Palamon Capital Partners. Dewey Ballantine acted as legal adviser and PWC as tax adviser.

With today's disposal of its 67% stake in TeamSystem, Palamon has generated an IRR in excess of 50% on its investment.

About Bain Capital

Bain Capital (www.baincapital.com) is a global private investment firm that manages several pools of capital including private equity, high-yield assets, mezzanine capital and public equity with more than \$22 billion in assets under management. Since its inception in 1984, Bain Capital has made private equity investments and add-on acquisitions in over 225 companies in a variety of industries around the world, and has a team of almost 200 professionals dedicated to investing in and supporting its portfolio companies. A global team of professionals focused on technology has guided investments in nearly 75 software and technology companies, including UGS PLM, DoubleClick, Taleo, Ameritrade, Integrated Circuit Systems, ChipPAC, Therma-Wave and USinternetworking. The firm has been an investor in Europe since the late 1980's and is among the most active private equity firms in the region, having made investments in companies including ProSiebenSat1 Media AG, Samsonite, Brenntag AG, SigmaKalon and Seat Pagine Gialle. Headquartered in Boston, Bain Capital has offices in London, New York and Munich.

About TeamSystem

TeamSystemS.p.A. is a leading company who develops and markets financial management software products for tax, payroll, accounting, budgeting and Enterprise Resource Planning, for small and medium-sized businesses and professionals (accountants and labour consultants).

With a staff of more than 450, customers in excess of 43,000, 12 subsidiaries and a network of approximately 300 selected and skilled software partners throughout Italy, TeamSystem pro-forma, in 2003, registered systemwide sales in excess of 150 m euros, , turnover of 58 million euros and EBITDA of 23.1 m euros. In 2004 revenues and profitability are expected to grow in excess of 10%.

About Palamon Capital Partners

Palamon Capital Partners, LP, one of Europe's leading mid market private equity firms, was founded in 1999, and is focused on providing equity for European growth services companies. Palamon is one of the few truly pan-European investors originating, executing and managing investments in the UK, Italy, Spain, Denmark, Sweden, France and Germany. The firm targets investments in companies where it can be the lead private equity provider and where the partnership's experienced principals can provide strategic direction and support to help build equity value.

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The Firm manages Palamon European Equity, L.P. and its parallel funds, which together have capital commitments of €440 million, making up one of the largest pools of private equity capital dedicated to growth investment opportunities in Europe's mid market arena. Investors in Palamon funds are based in the US, Europe and the Middle East and are among the most significant investment institutions in the world.

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